



Vinje & Middleton Engineering, Inc.

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Oro Verde Property
2000 Oro Verde Road
Escondido, California 92027

Project Name: Oro Verde Tentative Map

Record ID: PDS2014-TM-5583; **Environmental Log No.:** PDS2014-ER-14-08-005

Project Address: Oro Verde Road & Diamond Ranch Road; APN 241-140-02

Trust Account No.: 2021377-D-01513

February 22, 2014

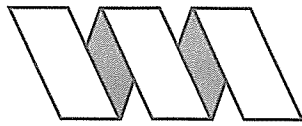
Prepared For:

Wohlford Land Company, LLC
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Wohlford Land Company, LLC
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PO Box 237
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Subject: **Phase I Environmental Site Assessment
Oro Verde Property
2000 Oro Verde Road
Escondido, California 92027**


Dear Mr. Henthorn:

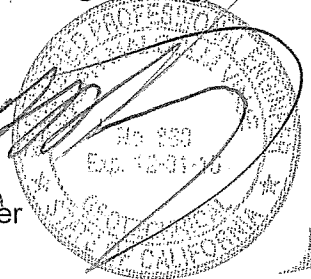
Vinje & Middleton Engineering, Inc. (VM) has performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of American Society for Testing and Materials Practice (ASTM) E 1527-13 and 40 Code of Federal Regulations (CFR) Part 312, of the above-referenced property. This ESA included public environmental agency and historical record reviews, interviews, site observations, and report preparation. This report includes VM's findings, conclusions, and supporting documentation.

We appreciate the opportunity to be of service to you on this project. If you should have any questions regarding this report, or if we can be of further assistance, please contact us at (760) 743-1214.

Sincerely,

Vinje & Middleton Engineering, Inc.


Ralph M. Vinje
Principal Engineer
RCE #25115





Daniel Weis
Associate Environmental Scientist

TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY	1
1.1	SUMMARY AND FINDINGS	1
1.2	CONCLUSIONS.....	1
2.0	INTRODUCTION.....	2
2.1	PURPOSE.....	2
2.2	DETAILED SCOPE OF SERVICES	3
2.3	SIGNIFICANT ASSUMPTIONS	4
2.4	LIMITATIONS AND EXCEPTIONS.....	4
2.5	SPECIAL TERMS AND CONDITIONS.....	5
2.6	USER RELIANCE	5
3.0	SITE DESCRIPTION.....	6
3.1	LOCATION AND LEGAL DESCRIPTION.....	6
3.2	SITE AND VICINITY GENERAL CHARACTERISTICS	6
3.3	CURRENT USE OF THE SITE	6
3.4	DESCRIPTION OF STRUCTURES, ROADS, OTHER IMPROVEMENTS ON THE SITE	6
3.5	CURRENT USES OF THE ADJOINING PROPERTIES	6
4.0	USER PROVIDED INFORMATION	8
4.1	TITLE RECORDS	8
4.2	ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS	8
4.3	SPECIALIZED KNOWLEDGE	8
4.4	COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION.....	8
4.5	VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES	8
4.6	OWNER, PROPERTY MANAGER, AND OCCUPANT INFORMATION.....	8
4.7	REASON FOR PERFORMING PHASE I ESA.....	8
4.8	OTHER.....	9
5.0	RECORDS REVIEW.....	10
5.1	STANDARD ENVIRONMENTAL RECORD SOURCES	10
5.2	ADDITIONAL ENVIRONMENTAL RECORD SOURCES.....	13
5.3	PHYSICAL SETTING SOURCES	13
5.3.1	TOPOGRAPHY AND HYDROLOGY.....	13
5.3.2	GEOLOGY	14
5.3.3	HYDROGEOLOGY.....	14
5.4	HISTORICAL USE INFORMATION ON THE SUBJECT SITE	14
5.4.1	AERIAL PHOTOGRAPHS AND TOPOGRAPHIC MAPS.....	14
5.4.2	STATE OF CALIFORNIA DIVISION OF OIL AND GAS RECORDS.....	15
5.5	HISTORICAL USE INFORMATION ON ADJOINING PROPERTIES.....	15
5.5.1	AERIAL PHOTOGRAPHS AND TOPOGRAPHIC MAPS.....	15
5.5.2	STATE OF CALIFORNIA DIVISION OF OIL AND GAS RECORDS.....	15
6.0	SITE RECONNAISSANCE.....	16
6.1	METHODOLOGY AND LIMITING CONDITIONS.....	16
6.2	GENERAL SITE SETTING	16
6.3	SITE OBSERVATIONS	16

7.0	INTERVIEW INFORMATION	18
7.1.	INTERVIEW WITH OWNER	18
7.2	INTERVIEW WITH SITE MANAGER.....	18
7.3	INTERVIEWS WITH OCCUPANTS	18
7.4	INTERVIEW WITH LOCAL GOVERNMENT OFFICIAL	18
7.5	INTERVIEW WITH OTHERS	18
8.0	FINDINGS, OPINION AND CONCLUSIONS.....	19
9.0	DEVIATIONS AND DATA GAPS.....	20
10.0	ADDITIONAL SERVICES	21
11.0	REFERENCES	22
12.0	SIGNATURES AND QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS.....	23
13.0	APPENDICES	
13.1	VICINITY MAP AND TOPOGRAPHIC MAP	
13.2	SITE PLAN	
13.3	SITE PHOTOGRAPHS	
13.4	REGULATORY DATABASE REPORT	
13.5	PRIOR REPORT	

1.0 Executive Summary

1.1 Summary and Findings

At the request of Wohlford Land Company, LLC c/o Jack Henthorn & Associates (JHA), Vinje & Middleton Engineering, Inc. (VM) conducted a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of American Society for Testing and Materials (ASTM) Practice E 1527-13 and 40 Code of Federal Regulations (CFR) Part 312, of the property located at 2000 Oro Verde Road in San Diego County, near the City of Escondido, California (hereinafter referred to as "the Site"). The Site is situated to the east of Royal View Road and to the west of Cloveridge Road. The Site is 51.2 acres (2,230,272 square feet in size) and consists of one legal parcel. The Site is further identified by County of San Diego Assessor's Parcel Number (APN) 241-104-02-00.

The Site is used for the growing of avocados. The Site currently includes a single residence used as a ranch hand house. The Site also contains multiple storage sheds and a barn. There are multiple unimproved roads which are used to access the avocado groves. No significant environmental concerns were noted during the Site reconnaissance. In addition, historical information (i.e. aerial photographs and city topographic maps) pertaining to the Site and adjacent properties did not reveal environmental concerns in connection with the Site or to the Site as a result of adjacent property uses.

VM reviewed standard regulatory record sources which included Federal, State and local environmental databases provided by Environmental Data Resources (EDR) for information pertaining to documented and/or suspected releases of regulated hazardous substances and/or petroleum products within specified search distances. The Site was listed on select regulatory databases due to the use of diesel aboveground storage tanks (ASTs) at the Site. No releases of hazardous substances or petroleum products are reported for the Site. Several properties in the near and general Site vicinity appear on several of the regulatory databases but are not considered to be environmental concerns to the Site. This opinion is based on several factors, including distance of the properties from the Site, orientation of the properties relative to the Site, depth and flow of groundwater in the area and reported property conditions.

1.2 Conclusions

This assessment has revealed no evidence of recognized environmental conditions in connection with the Site. Accordingly, additional environmental assessment at the Site is not considered to be warranted at this time.

2.0 Introduction

2.1 Purpose

The purpose of this Phase I ESA is to provide a professional opinion on the presence of recognized environmental conditions and other suspect environmental conditions in connection with the Site, as they existed on the date of the site inspection, and to recommend whether further investigation is required. ASTM Standard Practice E 1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, specifies minimum requirements for conducting an ESA of a parcel of commercial real estate with respect to the range of contaminants pertinent to the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as well as petroleum products. As such, this ESA is intended to satisfy one of the threshold criteria for satisfying the landowner liability protections to CERCLA liability assuming compliance with other elements of the defense. In other words, this ESA represents one of the practices that constitute "all appropriate inquiry" into the previous ownership and uses of the property consistent with good commercial or customary practice, as defined in 42 USC Section 9601(35)(B) and 40 CFR Part 312.

The goal of the process is to identify recognized environmental conditions, which are defined by the Practice as "the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: 1) due to any release to the environment; 2) under conditions indicative of a release to the environment; or 3) under conditions that pose a material threat of a future release to the environment. The term recognized environmental condition includes hazardous substances or petroleum products even under conditions in compliance with laws. In addition, the term also included historical recognized environmental conditions and controlled recognized environmental conditions. A historical recognized environmental condition is defined by the Practice as "a past release of hazardous substances or petroleum products that has occurred in connection with a property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls)." A controlled recognized environmental condition is defined by the Practice as "a recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls)." The term recognized environmental condition is not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

The term "environment" is defined in CERCLA 42 USC 9601(8) as "(A) the navigable waters, the water of the contiguous zone, and the ocean waters of which the natural resources are under the exclusive management authority of the United States under the Magnuson-Stevens Fishery conservation and Management Act, and (B) any other surface water, ground water, drinking water supply, land surface or subsurface strata, or ambient air within the United States or under the jurisdiction of the United States.

The term "release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance or pollutant or contaminant), but excludes (A) any release which results in exposure to persons solely within a workplace, with respect to a claim which such persons may assert against the employer of such persons, (B) emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, vessel, or pipeline pumping station engine, (C) release of source, byproduct, or special nuclear material from a nuclear incident, as those terms are defined in the Atomic Energy Act of 1954 [42 U.S.C. 2011 et seq.], if such release is subject to requirements with respect to financial protection established by the Nuclear Regulatory Commission under section 170 of such Act [42 U.S.C. 2210], or, for the purposes of 42 USC 9604 or any other response action, any release of source byproduct, or special nuclear material from any processing site designated under section 7912(a)(1) or 7942(a) of this title, and (D) the normal application of fertilizer.

2.2 Detailed Scope of Services

The Phase I ESA was conducted in accordance with generally accepted Phase I industry standards using ASTM Standard Practice E 1527-13, 40 CFR Part 312 and VM's Agreement by and between VM and JHA. The following services were provided for this assessment:

- A search for environmental liens recorded against the Site.
- An evaluation of standard environmental record sources contained within Federal, State and local environmental databases within specific search distances.
- An evaluation of additional environmental record sources obtained from local regulatory departments/agencies including the County of San Diego Department of Environmental Health (DEH).
- A qualitative evaluation of the physical characteristics of the Site through a review of published topographic, geologic, and hydrogeologic maps; published groundwater data; and area observations to characterize surface water flow in the Site area.
- An evaluation of past Site and adjacent/nearby property uses through a review of historical resources including aerial photographs, topographic maps and city directories.
- A physical inspection of the Site (interior and exterior) conducted to search for conditions indicative of potential environmental concerns including underground storage tanks (USTs), ASTs, associated tank piping; stained soil or pavement, equipment that may contain or have historically contained polychlorinated biphenyls (PCBs), and other potential environmental concerns as defined in the ASTM-2013 standard.
- A physical assessment of indications of past uses and visual observations of adjacent and surrounding properties (from curbside or public spaces) to assess potential impacts to the Site.
- Interviews completed with the client, the Site owner(s) and local regulatory officials.

- The preparation of this Phase I ESA report, which includes the findings of the assessment, our opinion (i.e., conclusions) regarding their respective levels of significance, and recommendations, as appropriate.

2.3 Significant Assumptions

This Phase I ESA was conducted in accordance with ASTM guidelines and the terms and conditions of the aforementioned Agreement between VM and JHA. No other warranty, express or implied, is made by VM. VM's evaluations, analyses, and opinions should not be taken as representations regarding subsurface conditions or the actual value of the Site. Subsurface conditions may differ from the conditions implied by the surficial observations and the data resources reviewed, and can only be reliably evaluated through intrusive techniques.

Documentation and data provided by JHA, designated representatives of JHA, other interested third parties, or from the public domain, and referred to in the preparation of this assessment, are assumed to be complete and correct and have been used and referenced with the understanding that VM assumes no responsibility or liability for their accuracy. VM's conclusions are based upon such information and documentation and on our observations of Site conditions, as they existed on the date of the site inspection. Because Site conditions may change significantly over a short period of time and additional data may become available, data reported and conclusions drawn in this report are limited to current conditions and should be considered less reliable with passing time.

2.4 Limitations and Exceptions

Reasonable efforts have been made during this assessment to uncover evidence of USTs, ASTs, ancillary equipment associated with such tanks, and other subsurface structures. "Reasonable efforts" are limited to information gained from visual observation of unobstructed areas, recorded database information held in public record, and available information gathered from interviews. Such methods may not identify subsurface equipment that may have been hidden from view due to paving, construction or debris pile storage, or incorrect information from sources.

This investigation was not an environmental compliance audit. While some observations and discussion in this report may address conditions and/or operations that may be regulated, the regulatory compliance of those conditions and/or operations is outside the scope of this investigation. Nothing in this report constitutes a legal opinion or legal advice. For information regarding specific individual or organizational liability, VM recommends consultation with independent legal counsel.

According to 40 CFR Part 312, Standards and Practices for All Appropriate Inquiry: Final Rule, CERCLA liability rests with the owner or operator of a property and not with an environmental professional hired by the prospective landowner and who is not involved with the ownership or operation of the property. This report meets the requirements set forth in 40 CFR Part 312 Standards and Practices for All Appropriate Inquiries; Final Rule. However, in order to qualify for certain landowner liability protections under CERCLA, "Bona Fide Prospective Purchasers, Contiguous Property Owners, and/or Innocent Landowners" must meet additional requirements of CERCLA (42 U.S.C. 9601 (35)(B)).

This ESA does not address non-scope ASTM considerations including asbestos containing materials, radon, lead-based paint, lead in drinking water, wetlands, protected environments and

habitat, industrial hygiene concerns, indoor air quality (unrelated to releases of hazardous substances or petroleum products into the environment) and high voltage power lines.

2.5 Special Terms and Conditions

No special terms and conditions between VM pertinent to the findings of this ESA or methodology used to complete this assessment are noted. In addition, VM does not have a financial interest in the Site.

2.6 User Reliance

This report was prepared for the sole and exclusive use of JHA and its financing partners for this project and is not for the use or benefit of, nor may it be relied upon by, any other person or entity for any purpose without the advance written consent of VM and JHA. VM makes no representation to any third party except that it has used the degree of care and skill ordinarily exercised by a reasonable prudent environmental professional in the same community and in the same time frame given the same or similar facts and circumstances. No other use or disclosure is intended or authorized by VM. In the preparation of this ESA, VM has used the degree of care and skill ordinarily exercised by a reasonably prudent environmental professional in the same community and in the same time frame given the same or similar facts and circumstances. No other warranties are made, express or implied.

3.0 Site Description

3.1 Location and Legal Description

The Site is 51.2 acres (2,230,272 square feet in size) and consists of one legal parcel with a recorded physical address of 2000 Oro Verde Road, located in San Diego County, near the City of Escondido, California. The Site is currently vested in the Wohlford Land Company, LLC. The Site is situated to the east of Royal View Road and to the west of Cloverridge Road. The Site is further identified by County of San Diego APN 241-104-02-00.

A Vicinity Map and Topographic Map depicting the general location of the Site are included in Section 13.1.

3.2 Site and Vicinity General Characteristics

The Site consists of avocado groves. Additional details pertaining to the Site and its adjoining properties are provided in the sections below.

3.3 Current Use of the Site

The Site is used for the growing of avocados. The Site currently includes a single residence used as a ranch hand house. The Site also contains multiple storage sheds and a barn. There are multiple unimproved roads which are used to access the avocado groves.

3.4 Description of Structures, Roads, Other Improvements on the Site

As stated previously, the Site is mostly avocado groves with several unimproved roads throughout the Site. The Site also has several structures including a residence, a barn and several sheds. Oro Verde Road enters the Site from the west and terminates in the center of the Site. Two areas have been cleared and leveled at the Site. Potable water and sewer services in the area are provided by the City of Escondido. Electrical and natural gas service in the area are provided by SDG&E. A Site Plan is included in Section 13.2. Photographs taken of the Site are included in Section 13.3.

3.5 Current Uses of the Adjoining Properties

The area surrounding the Site consists of public roadways, residential properties and vacant land. VM performed a visual inspection of adjoining properties from adjacent sidewalks and public right-of-ways. The following table identifies the adjacent property uses:

General Direction	Adjoining Property Use
North	Residential structures and vacant land.
South	Vacant Land.
East	Vacant land, then Cloverridge Road.
West	Residential structures.

None of the adjoining properties were observed to be a potential environmental concern to the Site based on VM's visual inspection from public right-of-ways.

4.0 User Provided Information

4.1 Title Records

No environmental related liens, deed restrictions or activity and use limitations pertaining to potential recognized environmental conditions at the Site were noted during research conducted with the County of San Diego Assessor and Recorder or during VMs review of a preliminary title report for the Site. According to the preliminary title report prepared by Chicago Title Company and dated August 16, 2012, the Site is currently vested in Wohlford Land Co LLC, a California limited liability company.

4.2 Environmental Liens or Activity and Use Limitations

The client reportedly has no knowledge of any environmental related liens or activity and use limitations (i.e. engineering or institutional controls) that are related to potential environmental issues at the Site.

4.3 Specialized Knowledge

The client reportedly has no specialized knowledge pertinent to potential recognized environmental conditions at the Site.

4.4 Commonly Known or Reasonably Ascertainable Information

The client stated they are aware of the use of ASTs for diesel fuel storage at the Site that are used to fuel Site equipment and vehicles. Other than the diesel ASTs, the client reportedly has no knowledge of commonly known or reasonably ascertainable information pertinent to potential recognized environmental conditions at the Site.

4.5 Valuation Reduction for Environmental Issues

As of the date of this report, the client reportedly has no information pertaining to the relationship of the purchase price to the estimated fair market value of the property that might indicate that significant contamination exists.

4.6 Owner, Property Manager, and Occupant Information

As stated previously, the Site is currently vested in Wohlford Land Co LLC. The Site manager is JHA. The ranch caretaker and operating entity of the avocado grove are considered to be the Site occupants.

4.7 Reason for Performing Phase I ESA

VM, as an independent consultancy, has been retained to conduct this Phase I ESA to identify environmental issues that may be present and to comply with 40 CFR Part 312.

4.8 Other

VM previously completed a limited Phase II ESA for the Site in December 2008. As part of the assessment, VM collected four soil samples from target areas of potential concern at depths ranging from 0.5 foot to 1.5 feet below the ground surface. The soil samples were analyzed for organochlorine pesticides (OCPs) by United States EPA test Method 8081A and did not contain detectable concentrations of such substances. No further soil assessment was deemed warranted. A copy of the report is included in Section 13.4 of this Phase I ESA.

5.0 Records Review

5.1 Standard Environmental Record Sources

VM reviewed Federal and State environmental databases provided by Environmental Data Resources, Inc. (EDR) of Milford, Connecticut for information pertaining to documented and/or suspected releases of regulated hazardous substances and/or petroleum products within specified search distances. A copy of the EDR report is included in Section 13.5.

VM also reviewed unmappable sites listed in the environmental database report by cross-referencing addresses and site names. Unmappable sites are sites that cannot be plotted with confidence, but can be located by zip code or city name. In general, a site cannot be mapped because of inaccurate or missing location information in the record provided by the regulatory agency. Any unmappable sites that VM identifies within the specified search radii were evaluated as part of the preparation of this report.

The following Federal databases related to potential on-site and off-site sources of contamination were reviewed and interpreted by VM:

Federal Databases	Search Distance From Site
National Priorities List (NPL)	One mile
Delisted NPL	One mile
Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)	One-half mile
CERCLIS No Further Remedial Action Planned (NFRAP)	One-half mile
Resource Conservation and Recovery Act (RCRA) CORRACTS Hazardous Waste Treatment, Storage and Disposal (TSD) Facilities	One mile
Resource Conservation and Recovery Act (RCRA) NON-CORRACTS Hazardous Waste TSD Facilities	One-half mile
RCRA Hazardous Waste Generators (RCRA GEN)	One-eighth mile
Emergency Response Notification System (ERNS)	One-eighth mile
Facility Index Systems (FINDS)	One-eighth mile
Federal Institutional/Engineering Control Registries (IC/EC)	One-half mile

The following State/local databases related to potential on-site and off-site sources of contamination were also searched and reviewed:

State/Local Databases	Search Distance From Site
State Equivalent NPL and CERCLIS (RESPONSE and Envirostor)	One mile
State Voluntary Cleanup Sites (VCP)	One-half mile
State/Local Brownfield Sites and Institutional/Engineering Control Registries	One-half mile
Inactive, Active, and/or Permitted Solid Waste/Landfill Facilities (SWL)	One-half mile
Leaking Underground Storage Tanks (LUST)	One-half mile
Spills, Leaks, Investigations and cleanup (SLIC)	One-half mile
Registered Underground and Aboveground Storage Tanks (UST/AST)	One-eighth mile

State/Local Databases	Search Distance From Site
San Diego County DEH Site Assessment and Mitigation (SAM)	One-half mile

Descriptions/sources of each of the above referenced regulatory databases and the dates these databases were last updated by the applicable regulatory agencies are included in the EDR report.

Subject Site

The Site was listed on the AST database and referenced as maintaining tanks with a total capacity of 1,375 gallons. No spills or releases from ASTs have been reported.

Adjoining and Nearby Properties

No listings for properties mapped within a one-eighth mile radius of the Site were identified in the standard regulatory databases. There are two properties mapped between one-eighth and one-mile from the Site that are listed on various standard regulatory databases including the SWF/LF (one property) and AST (one property) databases. The properties are identified as Inland Valley Materials Recycling - 14080 San Pasqual Valley Road (0.374-mile south) and Hillebrecht Company - 2170 Skyline Drive (0.384-mile northwest). These properties are not expected to have adversely impacted the Site. This opinion is based on several factors including distance of the off-site listed properties from the Site, orientation of the listed properties relative to the Site, interpreted direction of groundwater flow, and/or regulatory case status information for the various properties as described in the database report.

Non-ASTM Database Reviews

Below is a list of non-ASTM databases searched by EDR and reviewed by VM during the preparation of this assessment. The descriptions of each database and their data release frequency are included in the EDR report, included in Section 13.5.

Local Brownfield Lists

US BROWNFIELDS - A Listing of Brownfields Sites

Local Lists of Landfill / Solid Waste Disposal Sites

DEBRIS REGION 9 - Torres Martinez Reservation Illegal Dump Site Locations

ODI - Open Dump Inventory

WMUDS/SWAT - Waste Management Unit Database

SWRCY - Recycler Database

HAULERS - Registered Waste Tire Haulers Listing

Local Lists of Hazardous Waste / Contaminated Sites

US CDL - Clandestine Drug Labs

HIST Cal-Sites - Historical Calsites Database

SCH - School Property Evaluation Program

Toxic Pits - Toxic Pits Cleanup Act Sites

CDL - Clandestine Drug Labs

US HIST CDL - National Clandestine Laboratory Register

SD HMMD - San Diego County DEH Hazardous Materials Management Division

Local Land Records

LIENS 2 - CERCLA Lien Information
LIENS - Environmental Liens Listing
DEED - Deed Restriction Listing

Records of Emergency Release Reports

HMIRS - Hazardous Materials Information Reporting System
CHMIRS - California Hazardous Material Incident Report System
LDS - Land Disposal Sites Listing
MCS - Military Cleanup Sites Listing

Other Ascertainable Records

RCRA-NonGen - RCRA - Non Generators
DOT OPS - Incident and Accident Data
DOD - Department of Defense Sites
FUDS - Formerly Used Defense Sites
CONSENT - Superfund (CERCLA) Consent Decrees
ROD - Records Of Decision
UMTRA - Uranium Mill Tailings Sites
MINES - Mines Master Index File
TRIS - Toxic Chemical Release Inventory System
TSCA - Toxic Substances Control Act
FTTS/FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act)
HIST FTTS - FIFRA/TSCA Tracking System Administrative Case Listing
SSTS - Section 7 Tracking Systems
ICIS - Integrated Compliance Information System
PADS - PCB Activity Database System
MLTS - Material Licensing Tracking System
RADINFO - Radiation Information Database
FINDS - Facility Index System/Facility Registry System
RAATS - RCRA Administrative Action Tracking System
RMP - Risk Management Plans
CA BOND EXP. PLAN - Bond Expenditure Plan
UIC - UIC Listing
NPDES - NPDES Permits Listing
Cortese - "Cortese" Hazardous Waste & Substances Sites List
HIST CORTESE - Hazardous Waste & Substance Site List
CUPA Listings - CUPA Resources List
Notify 65 - Proposition 65 Records
DRYCLEANERS - Cleaner Facilities
WIP - Well Investigation Program Case List
ENF - Enforcement Action List
HAZNET - Facility and Manifest Data
EMI - Emissions Inventory Data
INDIAN RESERV - Indian Reservations
SCRD DRYCLEANERS - State Coalition for Remediation of Drycleaners Listing
MWMP - Medical Waste Management Program Listing
COAL ASDH DOE – Sleam Electric Plan Operation Data Listing
COAL ASH EPA – Coal Combustion Residues Surface Impoundments List
HWT - Registered Hazardous Waste Transporter Database
HWP - Envirostor Permitted Facilities List

FINANCIAL ASSURANCE - Financial Assurance Information Listing
LEAD SMELTERS - Lead Smelter Sites
2020 COR ACTION - 2020 Corrective Action Program List
US AIRS - Aerometric Information Retrieval System Facility Subsystem
PRP - Potentially Responsible Parties
WDS - Waste Discharge System
EPA WATCH LIST - EPA WATCH LIST
US FIN ASSUR - Financial Assurance Information
PCB TRANSFORMER - PCB Transformer Registration Database
PROC - Certified Processors Database

The Site is listed on the San Diego Co. HMMD database due to its use of previously referenced ASTs for fuel storage. No violations were reported. This listing is not considered to be an environmental concern to the Site. There are multiple properties in the Site vicinity that are listed on various non-ASTM regulatory databases including the San Diego Co. HMMD (seven properties), HIST UST (one property), SWEEPS UST (one property), US MINES (one property), Notify 65 (one property) and HAZNET (six properties) databases. These properties are also not expected to have adversely impacted the Site. This opinion is also based on several factors including distance of the off-site listed properties from the Site, orientation of the listed properties relative to the Site, interpreted direction of groundwater flow, and/or regulatory case status information for the various properties as described in the database report.

5.2 Additional Environmental Record Sources

San Diego County Department of Environmental Health (DEH)

VM searched for public records maintained by the County of San Diego DEH. No records were returned at the time of the report.

5.3 Physical Setting Sources

The following physical setting sources were reviewed to provide information about the topographic, hydrologic, geologic and/or hydrogeologic characteristics of the Site.

5.3.1 Topography and Hydrology

USGS Topographic Quadrangle

The Site is depicted on the USGS topographic map for the Escondido, California 7.5 minute quadrangle at an elevation of approximately 600 to 900 feet above mean sea level. No features of environmental concern are noted on the map. Streets and public roadways bordering the Site are shown in their current configurations.

Hydrology/Storm Water Management

The Site slopes to the southeast towards the San Dieguito River. The Site appears to receive surface runoff from adjoining properties, however none were identified as an environmental concern to the Site.

5.3.2 Geology

The Site lies within the coastal section of the Peninsular Ranges Geomorphic Province; one of 11 physiographic provinces in California recognized by defining features based on geology, faults, topography, and climate. The Peninsular Ranges Province is dominated by a series of northwest-oriented mountain ranges extending from the Baja California peninsula in the south to the Transverse Ranges in the north. The series of mountain ranges are separated by northwest trending valleys, subparallel to faults branching from the San Andreas Fault System. Igneous, metamorphic, and sedimentary rocks are all found within the Peninsular Ranges Province. Plutonic (igneous) rocks of the Peninsular Ranges batholith are predominant throughout much of the Province. The batholithic rocks were emplaced during Cretaceous-age orogenic events, and uplifted into the present mountain ranges during the late Tertiary and Quaternary. The coastal section of the Province is underlain by a thick sequence of marine- and terrestrial-derived sedimentary rock units that unconformably overlie basement rocks. Nearly flat marine terraces lie at different elevations throughout the coastal section of the Province as a result of sea floor erosion during marine standstills and subsequent Quaternary faulting and uplift.

According to geologic map sources, the Site is underlain by Late Cretaceous undifferentiated types of granodiorite with minor tonalite. Basement complex is mantled by surficial soils with bedrock exposures throughout the Site in the form of large boulders, core stones, and observed in erosional sidewalls of the drainage channels. The Site, as is all of southern California, is an active seismic area. However, no faults are mapped across the Site.

5.3.3 Hydrogeology

The Site is situated within the Los Lomas Muertas Hydrologic Sub-Area of the San Pasqual Hydrologic Area of the San Dieguito Hydrologic Unit. Site specific information regarding depth to groundwater and water quality is not available for the Site. However, groundwater is anticipated to be at depth greater than 50 feet. The inferred regional groundwater flow direction is toward the southeast. According to the California Regional Water Quality Control Board- San Diego Region, groundwater in the area has existing beneficial uses for municipal, agricultural and industrial supply purposes.

5.4 Historical Use Information on the Subject Site

VM reviewed several historical sources (as described in the following sections) to develop a history of the previous uses of the Site, in order to help identify the likelihood of past uses having led to recognized environmental conditions in connection with the Site.

5.4.1 Aerial Photographs and Topographic Maps

VM reviewed historical aerial photographs from the years 1947, 1953, 1964, 1968, 1980, 1989, 2003 and 2005 and topographic maps from varying years ranging from 1913-2001 via online resources provided by NETROnline. In the aerial photographs from 1947 to 1964, the Site appears to be groves. In photographs from 1968 to 2005, the Site appears similar to the previous photographs, except there appears to be two structures in the central portion of the Site. Topographic maps depict the Site as being historically vacant or used for agricultural purposes. No environmental concerns associated with the Site were noted during the historical aerial photograph and topographic map review.

5.4.2 State of California Division of Oil and Gas Records

According to online resources provided by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources, there are no oil, gas or geothermal wells located on the Site.

5.5 Historical Use Information on Adjoining Properties

VM also reviewed several historical sources (as described in the following sections) to develop a history of the previous uses of adjoining properties and the surrounding area, in order to help identify the likelihood of past uses having led to recognized environmental conditions in connection with the Site.

5.5.1 Aerial Photographs and Topographic Maps

As stated previously, VM reviewed historical aerial photographs from the years 1947, 1953, 1964, 1968, 1980, 1989, 2003 and 2005 and topographic maps from varying years ranging from 1913-2001 via online resources provided by NETROnline. In the aerial photographs from 1947 to 1964, adjacent properties are primarily vacant land and agricultural land. In the 1968 to 1989 photographs, there appears to be several structures on the nearby and adjacent properties. In the 2003 and 2005 photographs the adjacent properties are generally developed in their current configurations. Topographic maps depict the adjacent properties as being historically vacant or used for agricultural purposes. No environmental concerns to the Site relative to adjacent and nearby properties were noted during the historical aerial photograph and topographic map review.

5.5.2 State of California Division of Oil and Gas Records

According to online resources provided by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources, there are no oil, gas or geothermal wells located on adjoining properties of the Site.

6.0 Site Reconnaissance

The objective of the Site reconnaissance was to obtain information indicating the likelihood of recognized environmental conditions in connection with the Site. The reconnaissance was conducted on January 30, 2014 by VM. VM was unaccompanied during the Site reconnaissance.

6.1 Methodology and Limiting Conditions

The Site reconnaissance consisted of inspecting the Site and walking accessible roads surrounding the Site. VM inspected all exterior and common areas. As stated previously, a Site Plan is included in Section 13.2. Photographs of the Site were taken to document existing Site conditions and several are included and described in Section 13.3.

6.2 General Site Setting

As stated previously, the Site is used for the growing of avocados. The Site currently includes a single residence used as a ranch hand house. The Site also contains multiple storage sheds and a barn. There are multiple unimproved roads which are used to access the avocado groves.

6.3 Site Observations

VM examined accessible areas of the Site for evidence of the following potential environmental concerns:

Conditions	Not Observed or Noted	Observed or Noted	Significant Concern?
Hazardous Substances/Petroleum Products		X	No
Waste Generation/Storage/Disposal	X		--
ASTs		X	No
USTs	X		--
PCB Containing Equipment		X	No
Chemical/Petroleum Odors	X		--
Pools of Liquid	X		--
Floor Drains/Sumps/Wells	X		--
Drums		X	No
Stains or Corrosion	X		--
Unidentified Substance Containers	X		--
Stained Soil or Pavement	X		--
Stressed Vegetation	X		--
Pits, Ponds or Lagoons	X		--
Wastewater Discharges/Disposal Systems	X		--
Septic Systems/Cesspools		X	No
Non-Hazardous Solid Waste Disposal Areas	X		--
Drinking Water Systems/Water Wells/Other Wells	X		--

The noted items in the table above are discussed below:

Hazardous Substances/Petroleum Products

Retail sized containers of typical cleaning and maintenance related chemical products and oil containers were noted in a storage barn. No suspect conditions were noted in the vicinity of such

containers. The presence of such containers are not considered to be an environmental concern to the Site.

AST

Two 500-gallon ASTs were observed in the central portion of the Site. The ASTs are used for diesel fuel storage for vehicles and tractors at the Site. VM also observed several additional ASTs used for herbicide storage and a propane AST in this area. No suspect conditions were noted in the vicinity of the ASTs. The ASTs are not considered to be an environmental concern to the Site.

PCB Containing Equipment

Multiple pole-mounted electrical transformers were noted at the Site. The transformers are owned by SDG&E and were not labeled with respect to PCB content. There was no evidence of any leaks or corrosion on the transformers. The presence of these transformers is not considered to be an environmental concern to the Site.

Drums

Several drums were observed in the interior barn building in the center portion of the Site. The drums were labeled as containing various herbicides. No suspect conditions were noted in the vicinity of the drums. The drums are not considered to be an environmental concern to the Site.

Septic System/Cesspools

The single residential building on-Site, used by the care taker, has a septic system and leach field. The septic system is not considered to be an environmental concern to the Site.

7.0 Interview Information

7.1 Interview With Owner

As stated previously, the Site is currently owned by Wohlford Land Co LLC. An owner's questionnaire was returned to VM by Mr. Jack Henthorn, of Jack Henthorn & Associates, who is considered the property manager and owner representative. Mr. Henthorn noted that the Site has been used for avocado growing since 1965.

7.2 Interview With Site Manager

The entities referenced above in Section 7.1 are also considered to be the Site Managers.

7.3 Interviews With Occupants

As stated previously, the ranch caretaker and operating entity of the avocado grove are considered to be the Site occupants. Site occupants were unaware of environmental concerns at the Site.

7.4 Interview With Local Government Official

During the preparation of this assessment, multiple governmental agency representatives were interviewed regarding the availability of public records pertaining to the Site.

7.5 Interview With Others

No other interviews were conducted as a part of this assessment.

8.0 Findings, Opinion and Conclusions

VM has performed a Phase I Environmental Site Assessment, in conformance with the scope and limitations of ASTM Practice E 1527-13 and 40 CFR Part 312 of the Oro Verde property, located at 2000 Oro Verde Road in Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 9.0 of this report.

This assessment has revealed no evidence of recognized environmental conditions in connection with the Site. Additional environmental assessment at the Site is not considered warranted at this time.

9.0 Deviations and Data Gaps

No deviations or data gaps as defined in the ASTM-2013 standard were noted during the preparation of this assessment.

10.0 Additional Services

No additional services were completed by VM during the preparation of this assessment.

11.0 References

"All Appropriate Inquiry" as necessary to satisfy the defenses available under 42 U.S.C. §§ 9607(b)(3), 9607(r)(1), and 9607(q), relying on definitions provided at 42 U.S.C. §§ 9601(35)(B); and as further explained in 40 CFR §§ 312.1 – 312.31.

ASTM International, "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process," ASTM Designation E 1527-13, Published November 2013.

California State Water Resources Control Board, GeoTracker online database: <http://www.geotracker.swrcb.ca.gov>;

California State Water Resources Control Board, Water Quality Control Plan for the San Diego Basin (9), San Diego, California, Published 1994;

Environmental Data Resources Services, Regulatory Database Report Dated January 21, 2014;

NETROnline, Historical aerial photographs;


State of California Department of Conservation, Division of Oil and Gas and Geothermal Resources: http://www.consrv.ca.gov/DOG/maps/index_map.htm;

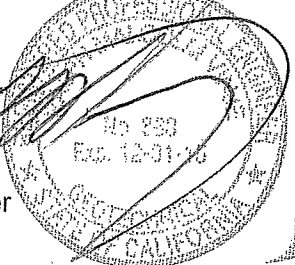
USGS topographic map, Escondido, California Quadrangle.


12.0 Signatures and Qualifications of Environmental Professionals

We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in 40 CFR 312.10. We have the specific qualifications based on education, training and experience to assess a property of the nature, history and setting of the subject Site. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Vinje & Middleton Engineering, Inc.


Ralph M. Vinje
Principal Engineer
RCE #25115

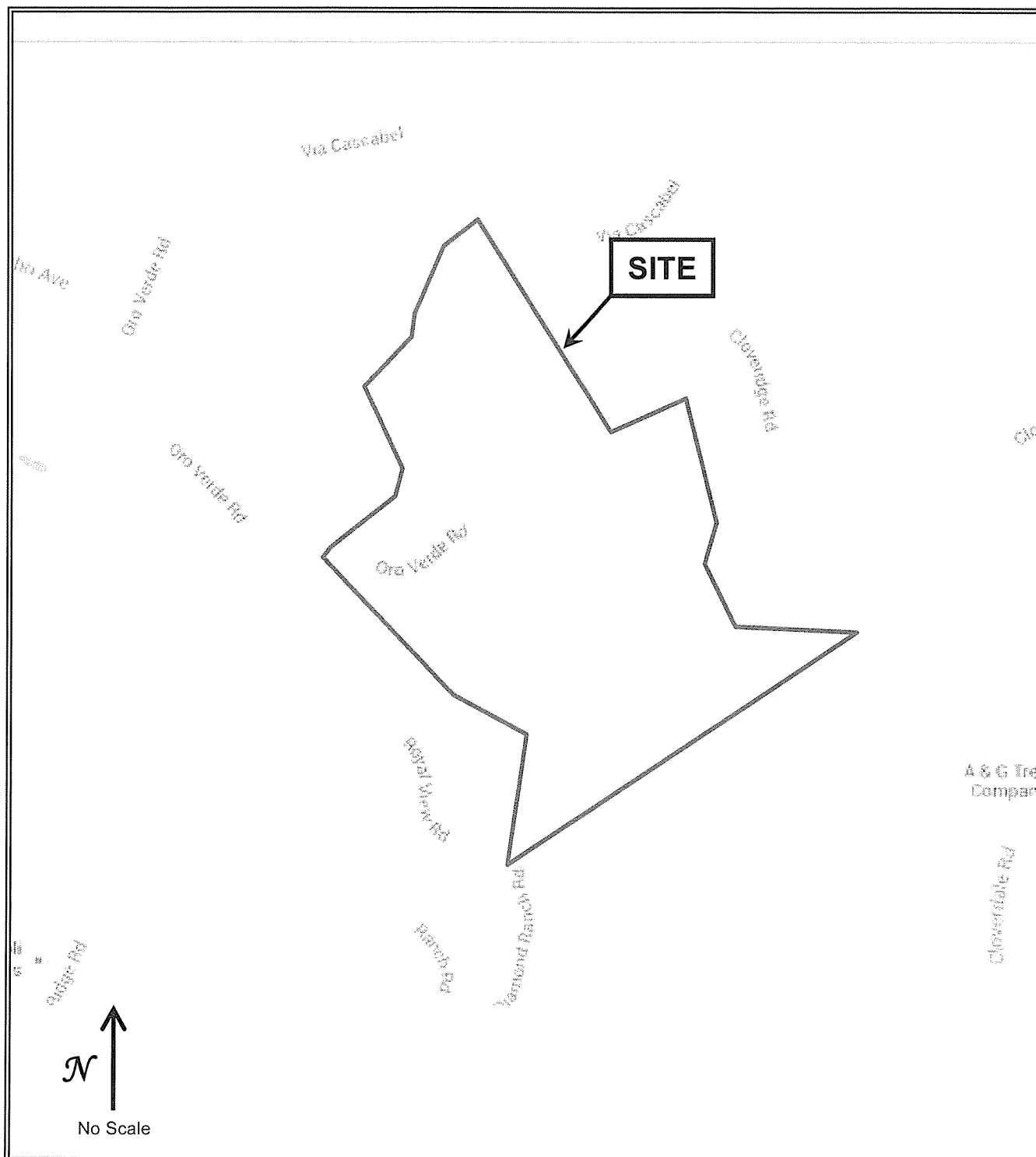



Daniel Weis
Associate Environmental Scientist

13.0 Appendices

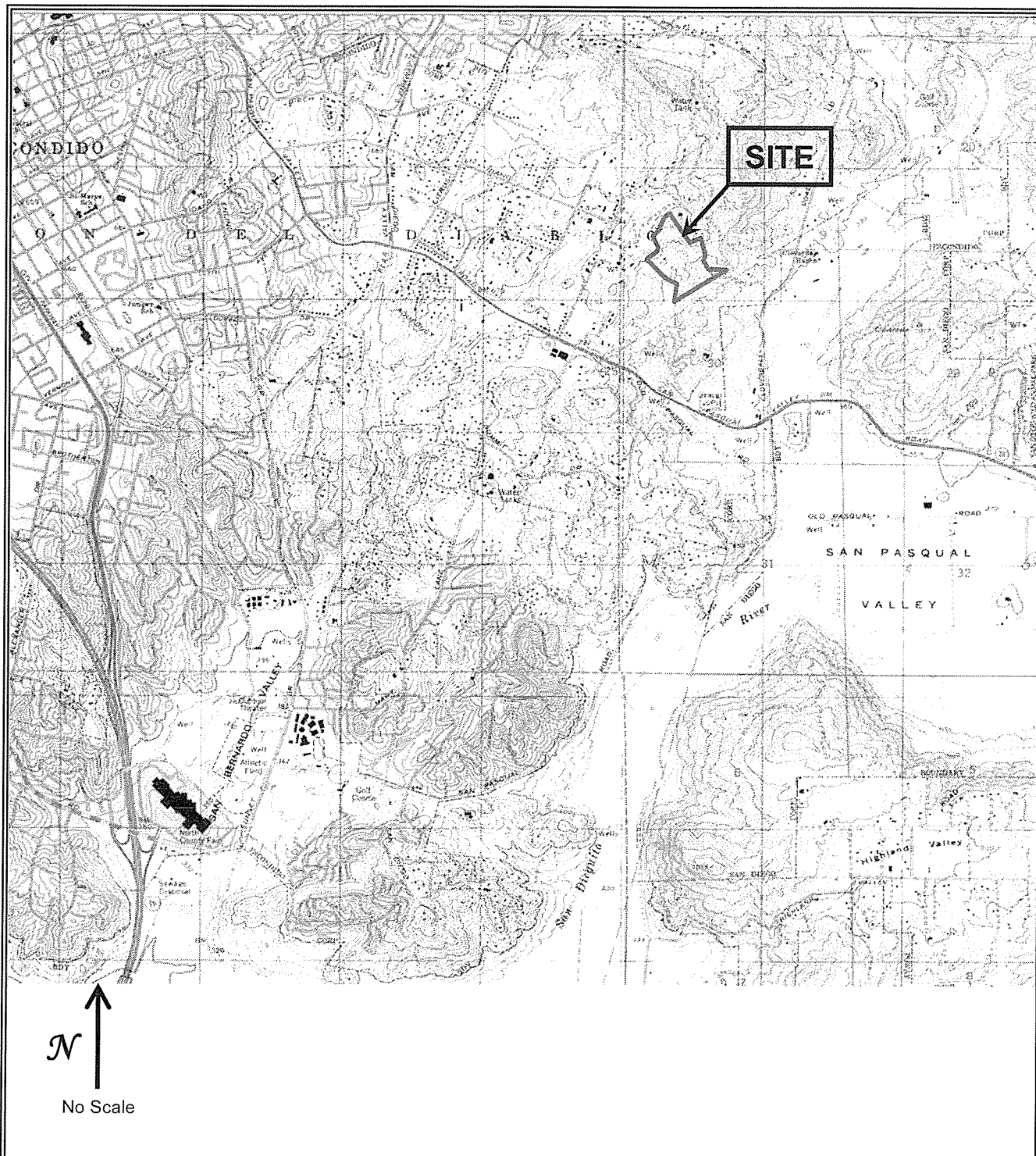
13.1 Vicinity Map and Topographic Map





Vinje & Middleton Engineering, Inc.
2450 Auto Park Way
Escondido, California 92029

Vicinity Map
2000 Oro Verde Road
Escondido, California



Vinje & Middleton Engineering, Inc.
2450 Auto Park Way
Escondido, California 92029

Topographic Map
2000 Oro Verde Road
San Diego, California

13.2 Site Plan





Vinje & Middleton Engineering, Inc.
 2450 Auto Park Way
 Escondido, California 92029

Site Plan
 2000 Oro Verde Road
 Escondido, California

13.3 Site Photographs





1. View of the entrance driveway to 2000 Oro Verde Road, looking to the east.



2. View of water distribution system at the Site.



3. View of the ranch hand house, looking to the west.



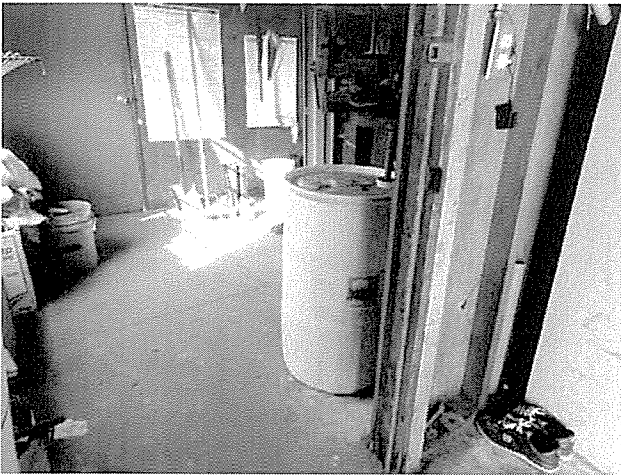
4. View of the storage barn, looking to the northwest.



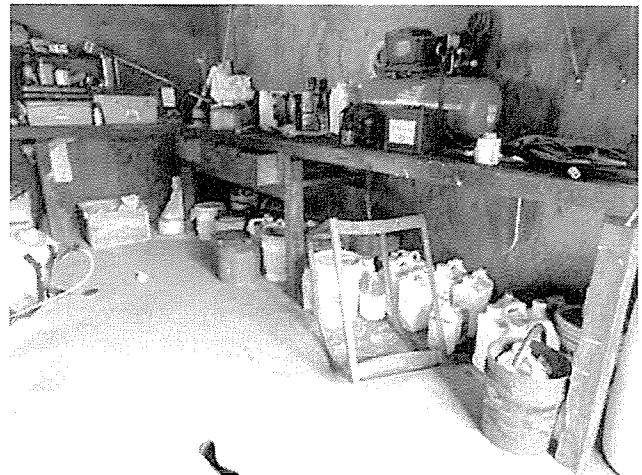
5. View of a storage area on-Site.



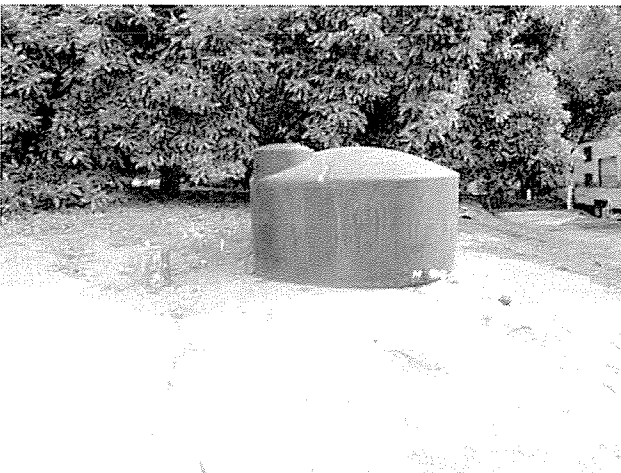
6. View of the two 500-gallon diesel ASTs.



7. View of a drum of herbicide stored inside the storage barn.



8. View of retail sized hazardous material storage in the storage barn at the Site.



9. View of a water storage tank at the Site.



10. View of an on-Site trailer.



11. View of several of the storage sheds located throughout the Site.



12. View of pole-mounted transformers.



13. View of the propane AST.



14. View of a drainage that traverses the Site, looking to the north.



15. View of a road traversing the Site, looking to the north.



16. View of the southern portion of the Site, looking to the south.



17. View of unimproved roads traversing the Site.



18. View of the eastern portion of the Site, looking to the east.



19. View of the southeastern portion of the Site.



20. View of a shed and cleared area in the southern portion of the Site.



21. View of the southern portion of the Site, looking to the south.



22. View of the northeastern adjacent residential property, looking to the northeast.



23. View of the northwestern adjacent residential property, looking to the northwest.



24. View of the southwestern adjacent residential property, looking to the west.